

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
WACO DIVISION

In re	§	
	§	
WM PROPERTIES, LTD.	§	CASE NO. 10-60918-rbk
	§	Chapter 11
Debtor	§	

**OBJECTION TO MOTION FOR ADMISSION PRO HAC VICE**

TO THE HONORABLE RONALD B. KING, UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, CHARLES F. MCVAY, United States Trustee for Region 7, through the undersigned counsel and files this Objection to Motion for Admission Pro Hac Vice and in support thereof, respectfully shows the Court as follows:

1. The UST objects to Leonard M. Ross's Motion for Admission Pro Hac Vice to represent the Debtor because Ross is not a "disinterested person" as defined in Bankruptcy Code Section 101(14). Mr. Ross is an indirect owner of the Debtor and is also a co-debtor on the Debtor's primary secured debt.
2. WM Properties, Ltd. filed a voluntary Chapter 11 bankruptcy petition on July 28, 2010. The Debtor is represented by Ronald E. Pearson, who filed a motion to withdraw as Debtor's counsel on August 20, 2010.
3. On that same day, Leonard M. Ross filed a Motion for Admission Pro Hac Vice to represent the Debtor. As of this date, Mr. Ross has not filed an application to be employed as Debtor's counsel as required by Bankruptcy Code section 327.
4. Bankruptcy Code section 327 allows a debtor to hire one or more attorneys "that do not hold or represent an interest adverse to the estate" and that are "disinterested persons." A disinterested person is not a "creditor, an equity security holder, or an insider." A disinterested

person is not a “director, officer, or employee of the debtor.” A disinterested person does not have an interest “materially adverse to the interest of the estate or of any class of creditors or equity security holders.”

5. An “insider” is defined by Bankruptcy Code section 101(B) as, among other things, a director, officer, and person in control of a corporate debtor.

6. Schedule H shows that Mr. Ross is a co-debtor to OneWest Bank, FSB and Pacific Mercantile Bank. OneWest has a secured claim of over \$1.9 million as shown on Schedule D, and PMB has a secured claim of approximately \$250,000.00. Mr. Ross therefore holds an interest materially adverse to the estate.

7. The general partner of the Debtor is Rossco Holdings, Inc. The Leonard M. Ross Revocable Trust owns 100% of the stock of Rossco Holding, Inc.

8. The Debtor’s own filings show that Mr. Ross holds an interest materially adverse to the estate and that he is an insider of the Debtor; he is not a disinterested person. Mr. Ross is not eligible to serve as counsel for the Debtor. His pro hac vice application should therefore be denied.

WHEREFORE, PREMISES CONSIDERED, the United States Trustee prays that the Court deny the Motion for Admission Pro Hac Vice, and to grant such other and further relief to which the United States Trustee may justly be entitled.

Respectfully submitted,

CHARLES F. MCVAY  
UNITED STATES TRUSTEE, REGION 7

By: /s/ Valerie L. Wenger  
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**CERTIFICATE OF SERVICE**

I certify that I sent a true copy of this Objection to Motion for Admission Pro Hac Vice by prepaid first class mail to the persons listed below on the 24<sup>th</sup> day of August, 2010.

/s/ Valerie L. Wenger  
Valerie L. Wenger

Debtor:

WM Properties, Ltd.  
Rossco Holdings, Inc.  
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College Station, TX 77840

Debtor's counsel:

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(and by email to Ron@Pearson-lawfirm.com)

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